

Status Report from the

FINANCE WORK GROUP

to the Mayor's Infrastructure Finance Committee

February 20, 2003
Mayor's Conference Room



WATER AND WASTEWATER FINANCE RECOMMENDATIONS

Finance Work Group

Revised Final Draft from February 12, 2003 Meeting

1. The City's capital improvement program for water and wastewater facilities should advance the urban growth set forth in the City's adopted Comprehensive Plan. The water and wastewater capital improvements needed to support the 12 year urban growth shown in the adopted Comprehensive Plan can largely be accomplished through the use of revenue bond financing.
2. This potential bonding capacity assumes the following conditions:
 - Modifying the City's current bond issuance practices, i.e., long maturities;
 - A 7 percent increase in wastewater rates effective FY 2003-2004.
 - Systematic increases in utility user rates;
 - Implementing development impact fees; and,
 - Financial projections do not include inflationary cost increases.
3. The City of Lincoln has the potential bonding capacity to support long-term system replacement and upgrades and expansion of capital facilities for its municipal water and wastewater systems through a carefully managed issuance of additional revenue bonds.
4. The term (i.e., amortization period) for future revenue bonds should be changed to more closely reflect the economic life of assets financed. The financing term for future bond issues should be limited to a minimum of 15 years and a maximum of 30 years. Because previous bond issues financing long term assets were amortized over 20 years, this change will lower the average annual debt service for future revenue bonds while fully repaying the bonds within the estimated economic life of the capital improvements identified for this period.

Changing market conditions may afford the City opportunities to structure debt financing to achieve lower overall costs. Subject to amortizing debt within the estimated economic life of assets, the City should take advantage of any opportunities to structure debt financing or refinancing to achieve the lowest possible overall cost. Combined debt service should be as level as practical to facilitate sound financial planning and stable utility rates.
5. The City should manage its total outstanding water and wastewater debt to maintain an overall average debt service coverage ratio* within a range of 1.65 to 1.75 percent. It is understood that at the time of issuance of any new debt, the debt service coverage ratio must be at least 1.25. Following the guidelines provided by the rating agencies for management, rates, governance, competition, economy, and so on may even enhance the rating of the water and wastewater systems.

6. The City should manage its water and wastewater systems to ensure that the current Public Works & Utility bond ratings of AA+ Standards & Poors and Aa2 from Moodys are maintained.
7. The issuance of substantial amounts of new water and wastewater revenue bonds with longer maturities over the next ten years could limit the City's future ability to issue similar bonds.
8. The City should embark upon a disciplined approach for systematically reviewing and adjusting water and wastewater utility rates. Based on current projections, annual rate increases of 3 to 5 percent should be adequate to finance growth needs during the assumed 12 year planning period. Rate increases are not proposed to occur in each fiscal year. Rate increases should be managed to provide sufficient funds for capital improvements without imposing unreasonable increased on rate payers. We recommend that annual increases not to exceed 5 percent in any given year.
9. The City should prepare a long-term financial plan and update this plan on an annual basis using the parameters set forth herein.
10. Periodically, the City may find it worthwhile to make a comparison of the City's overall utility rate burden with the overall utility rate burdens of the cities considered to be prime competitors for attracting new employers to determine if Lincoln is remaining competitive.

CAPITAL IMPROVEMENT SUMMARY	
FY 2003-4 through FY 2014-15	
WATER	\$169 million
WASTEWATER	168 million
TOTAL	\$337 million

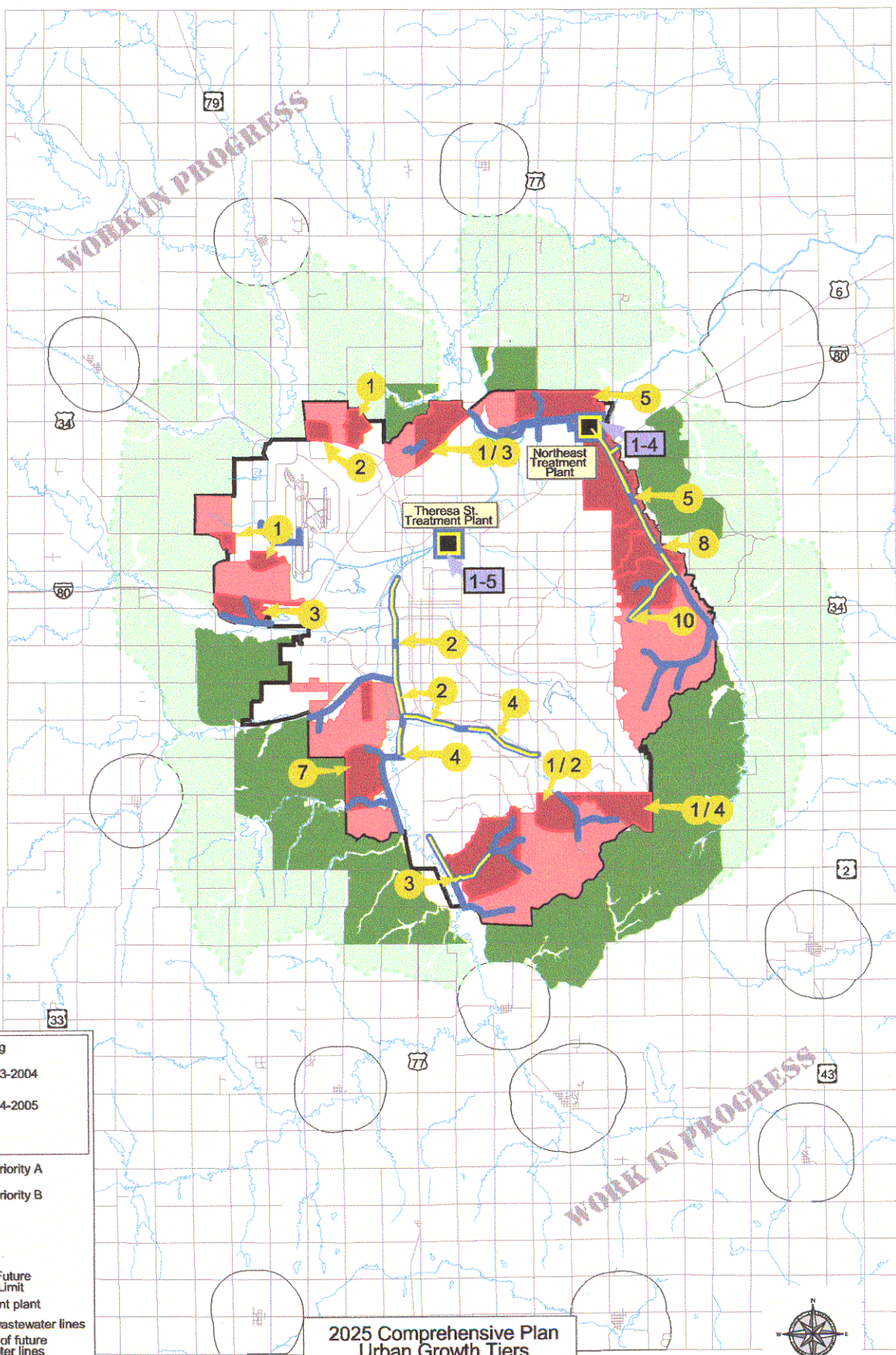
* Debt service cover ratio is defined as: cash flow available for debt service divided by the annual debt service requirement (principal plus interest).

Cash Flow = Revenues, less Operation and Maintenance Expenses, plus Depreciation.

Revenues = Total Operating Revenues, plus interest income, plus tap fees, plus impact fees.

NW 140th St
NW 126th St
NW 112th St
NW 98th St
NW 84th St
NW 70th St
NW 56th St
NW 40th St
NW 27th St
NW 12th St
N 1st St
N 14th St
N 27th St
N 40th St
N 56th St
N 70th St
N 84th St
N 98th St
N 112th St
N 134th St
N 148th St
N 162nd St
N 176th St
N 190th St

Ashland Rd
Little Salt Rd
Agnew Rd
Rock Creek Rd
Davey Rd
Branched Oak Rd
Raymond Rd
Mill Rd
Waverly Rd
Bluff Rd
McKelvie Rd
Alvo Rd
Fletcher Ave
Havelock Ave
Adams St
Holdrege St
O St
A St
Van Dorn St
Pioneers Blvd
Old Cheney Rd
Pine Lake Rd
Yankee Hill Rd
Rokeby Rd
Saltillo Rd
Bennet Rd
Wittstruck Rd
Roca Rd
Martell Rd
Hickman Rd
Stagecoach Rd
Panama Rd
Olive Creek Rd
Princeton Rd
Pella Rd
Firth Rd
Gage Rd



2025 Comprehensive Plan
Urban Growth Tiers
Category 5



LWS -

Assumptions Regarding the Preparation of the 12 Yr CIP Gap Projections

12/17/02

General

Comp Plan Population Projections 327,306 for 2025
Average Residential Use 93 gallons per capita per day
Average System Use 160 gallons per capita per day
Peaking Factor Return Ratio 12 years
Max Day to Average Day Ratio 2.7
Max Hour to Average Day Ratio 4.4
State Health Standards using AWWA and Ten-States Standards

Supply, Treatment & Transmission

Provide for Max Day Demands 141 Million Gallons per Day (MGD) for 2025
Continued removal of iron and manganese, disinfection
Does not include arsenic removal or UV disinfection
Add Treatment Facilities in minimum of 25 MGD increments
Design for Firm Capacity - Largest component out of service
Assume Antelope Valley Wellfield will not be a viable source long term

Pumping

Provide for Max Day Demands Varies for each pressure district
Design for Firm Capacity - Largest component out of service
Desirable to have two pumping stations in each pressure district

Storage

Provide for Max Hour Demands
Top 1/3 of Floating Storage available for diurnal variations in demands
Middle 1/3 of Floating Storage available for fire protection
Desirable system pressure - 45 to 100 psi, minimum system pressure - 35 psi
Desirable to have two reservoirs in each pressure district

Distribution

Provide for Max Hour Demands plus Fire Demands
Design Standards require minimum of 16" water main grid on section lines, and 12" mains on ½ mile lines
Replacement at a rate of 0.4% of 1,100 total miles of main per year

Costs

New Water Main Pipe Installed \$6.90 per foot per inch diameter,
Water Main Replacement / Rehab \$90 per foot for 6" & 8" in residential
Prices include construction contract, utility relocations, paving removal and replacement, traffic control, engineering services, ROW, contract admin
New Treatment Plant Costs - \$1.00 to \$2.50 per Gallon per Day Capacity
New Reservoir Costs - \$0.75 to \$1.25 per Gallon Capacity

Large Projects Included in LWS 12 year CIP Needs

Description	Cost \$ Millions
Supply & Treatment	
Collector Well on Island	\$ 7.2
25 MG Treatment Plant Expansion	\$16.0
Transmission	
Complete Pipeline to Lincoln - Phase I	\$17.9
Complete Pipeline to Lincoln - Phase II	\$12.3
Pumping Stations & Reserviors	
Add 2 Pumps at PS	\$ 2.7
Complete Pioneers PS	\$ 1.0
Complete Main to Y H	\$ 2.0
Complete Main to Pioneers	\$ 1.3
New Main - Y H - 27 th to 56 th	\$ 2.8
New Main - Y H - 56 th to 84 th	\$ 2.6
43 Miles of 12" & 16" Mains	\$500,000 per mile
16 Miles of 24" & Larger Mains	\$900,000 per mile
General System Improvements & Rehab	
Main Replacement	\$ 2.4 per year
Rehab Existing Wells,	
Reroof Buildings,	
Repaint Reservoirs,	
Upgrade SCADA System	
Master Planning, Etc	

**Mayor's Infrastructure Committee Process
Major Wastewater CIP Projects**

**Basis: Category V Level – Years 2004 – 2015 (1-12)
(Note: All costs are 2002 dollars)**

<u>Treatment</u>	<u>Amount</u> <u>(in Millions)</u>
<u>Theresa Street</u>	
Treatment Process Improvements - New Train and Nitrification	\$24.7
Grit Basin and Liquid Waste Improvements	4.6
Odor Control Improvements – East Side Process Improvements	3.9
Solids Handling Capacity Improvements	9.8
Co-Generation Facility Improvements	1.0
Additional Hydraulic Capacity	2.7
New Wet-Weather Facility	9.0
<i>Subtotal Theresa:</i>	<i>\$55.7</i>
<u>Northeast</u>	
Treatment Process Improvements and Nitrification	\$1.9
Grit Removal Facility Improvements	1.0
Additional Treatment Capacity – 6 mgd	10.0
Primary Clarifier Improvements and Upgrades	1.2
New Final Clarifier	1.2
Dewatering Facilities Improvements	2.5
New Wet-Weather Facility	3.2
<i>Subtotal Northeast:</i>	<i>\$21.0</i>
<i>Sub-Total Treatment</i>	<i>\$76.7</i>
Trunks – Basins	
Salt Valley Basin – South Areas, S-2 and SW-3	\$20.9
Northeast Salt Creek	2.4
Little Salt Creek	1.9
Oak Creek	1.2
Beals Slough	9.4
West ‘O’	1.6
Lynn Creek	0.6
Stevens Creek (E-1 and E-2)	18.7
<u>Sub-Total Trunks</u>	<u>\$56.7</u>
<u>Total - Treatment and Trunks</u>	<u>\$133.4</u>

Water Enterprise Fund
Funding Sources/Uses Projections - Category 5

Balance Sheet

Source	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	7 Yr Total	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	13 Yr Total
Balance as of August 31, 2002															
Cash & Investments															
Bond reserve fund	12,840,454														
Committed capital improvement projects not spent	(5,477,216)														
Starting balance	(10,954,281)														
	(3,681,043)														
Revenue															
Revenue from water sales															
New revenue bonds issued to be issued	21,451,000 (1)	23,071,000	24,001,000	24,866,000	25,974,000	27,021,000	27,281,000	173,706,999	27,584,000	27,840,000	28,118,000	28,398,000	28,653,000	28,970,000	343,520,999
Transfer from Wastewater for automated meter reading program	18,770,000	38,000,000			50,000,000			103,770,000	42,000,000						145,770,000
*Transfer over 10 yr period. Last receipt in 2005-07)	400,000	400,000	400,000	400,000	400,000			2,000,000							2,000,000
Interest	128,335	750,000	750,000	750,000	750,000	750,000	750,000	4,826,335	750,000	750,000	750,000	750,000	750,000	750,000	8,128,335
Total sources	40,749,335	59,221,000	25,151,000	26,116,000	77,124,000	27,771,000	28,831,000	284,185,334	70,314,000	28,890,000	28,858,000	29,148,000	29,813,000	29,720,000	600,419,334
Uses															
Operating & maintenance costs	12,185,652 (2)	12,267,440	12,471,751	12,858,828	12,848,710	13,041,441	13,237,062	88,851,062	13,485,818	13,837,163	13,841,710	14,048,315	14,260,075	14,473,977	172,380,130
Debt service requirements (1.25 coverage)	2,427,316	5,526,833 (3)	8,865,080	8,856,647	8,852,997	12,868,915	12,865,978	59,063,573	12,868,840	12,359,815	12,860,298	11,130,148	11,138,708	11,138,820	131,154,102
Bond issuance costs & transfer to reserve	1,770,000							1,770,000							1,770,000
Capital replacements	2,943,000 (4)	3,073,645	2,104,750	2,138,321	2,158,388	2,200,891	2,233,805	14,080,874	2,267,413	2,301,424	2,335,948	2,370,985	2,406,850	2,442,848	29,085,840
Capital improvements (category 5)	8,478,000							8,478,000	16,500,000	12,800,000	15,300,000	13,800,000	3,700,000	7,200,000	79,878,000
Supply & investment		250,000						17,922,000							17,922,000
Transmission		0		1,922,000	8,000,000	2,743,000	10,500,000	13,483,000							29,085,840
Pumping station & reservoirs		3,800,000						4,000,000							13,483,000
Distribution		8,882,000	5,096,000	7,883,000	4,595,000	2,877,000	5,578,000	34,721,000							17,922,000
General system improvements & rehab		2,920,000	5,410,000	2,430,000	3,585,000	2,430,000	2,430,000	19,215,000							4,000,000
CIP sub-totals	8,478,000	15,052,000	10,508,000	12,245,000	16,180,000	18,050,000	18,706,000	97,827,000	18,500,000	12,800,000	15,300,000	13,800,000	3,700,000	7,200,000	19,215,000
Total Uses	28,822,168	35,648,718	32,949,581	35,895,798	40,050,073	43,881,247	46,742,845	262,872,529	46,820,815	41,098,392	44,428,054	41,458,448	31,805,333	35,285,348	503,436,872
Gap sub-totals															
Impact fees	10,238,124	28,671,262	(5,796,591)	(9,778,790)	37,073,927	(10,090,247)	(18,711,945)	17,501,762	23,483,828	(12,508,382)	(15,580,054)	(12,307,448)	(1,892,333)	(5,635,245)	(6,707,781)
Total gap	10,238,124	28,671,262	(5,796,591)	(9,778,790)	37,073,927	(10,090,247)	(18,711,945)	17,501,762	23,483,828	(12,508,382)	(15,580,054)	(12,307,448)	(1,892,333)	(5,635,245)	(6,707,781)
	10,238,124	28,671,262	(5,796,591)	(9,778,790)	37,073,927	(10,090,247)	(18,711,945)	17,501,762	23,483,828	(12,508,382)	(15,580,054)	(12,307,448)	(1,892,333)	(5,635,245)	(6,707,781)
	10,238,124	28,671,262	(5,796,591)	(9,778,790)	37,073,927	(10,090,247)	(18,711,945)	17,501,762	23,483,828	(12,508,382)	(15,580,054)	(12,307,448)	(1,892,333)	(5,635,245)	(6,707,781)

- (1) Assumes 7% increase 2002/03, then 3% increase next 5 years and 0% thereafter
 (2) Assumes 1.5% annual increase in operating expenses
 (3) Minimum debt service coverage requirement for additional bonds is 1.25 times
 (4) Assumes 1.5% annual increase in capital replacements

NOTE: The above projections do not include an inflation factor

Balance Sheet

Wastewater Enterprise Fund
Funding Sources/Uses Projections - Category 5

	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	7 YR TOTAL	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	13 Yr Total
Sources															
Balance as of August 31, 2002															
Cash & investments															
Bond reserve fund	30,828,541							30,828,541							30,828,541
Committed capital improvement projects not spent	(1,435,778)							(1,435,778)							(1,435,778)
Starting balance	(18,973,276)							(18,973,276)							(18,973,276)
	<u>10,419,487</u>							<u>10,419,487</u>							
Revenues															
Revenue from wastewater sales	15,367,000	18,607,000 (1)	17,277,000	17,973,000	18,987,000	18,451,000	19,648,000	125,018,000	19,842,000	20,040,000	20,240,000	20,442,000	20,648,000	20,852,000	247,060,000
New revenue bonds issued/no be issued		65,000,000			35,000,000			100,000,000	15,000,000						116,000,000
Interest	785,043	750,000	750,000	750,000	750,000	750,000	750,000	5,285,043	750,000	750,000	750,000	750,000	750,000	750,000	9,785,043
Total sources	<u>16,152,043</u>	<u>82,357,000</u>	<u>18,027,000</u>	<u>18,723,000</u>	<u>54,447,000</u>	<u>20,201,000</u>	<u>20,398,000</u>	<u>230,303,043</u>	<u>35,592,000</u>	<u>20,790,000</u>	<u>20,990,000</u>	<u>21,192,000</u>	<u>21,396,000</u>	<u>21,602,000</u>	<u>371,885,043</u>
Uses															
Operating & maintenance costs															
Debt service requirements (1.26 coverage)	9,468,358 (2)	9,810,383	9,754,538	9,900,857	10,048,370	10,200,111	10,353,112	68,336,728	10,508,409	10,686,035	10,826,026	10,988,416	11,153,242	11,320,541	134,819,397
Bond issuance costs & transfer to reserve	1,325,884	1,286,972 (3)	8,132,903	6,125,084	8,063,064	7,454,935	7,454,935	35,853,854	7,454,935	8,573,176	8,573,176	8,573,176	8,573,176	8,573,176	86,174,669
Capital replacements															
Trf to water for automated meter reading program	635,650 (4)	645,185	654,863	664,885	674,656	684,776	695,047	4,654,858	705,473	716,055	726,798	737,668	748,763	759,995	9,049,838
* (Transfer over 10 yr period. Last receipt in 2006-07)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	2,000,000							0
Capital Improvements (category 5)	9,989,800							9,989,800	17,973,000	13,160,000	8,387,000	6,180,000	3,592,000	5,145,000	64,426,800
Treatment															
Theresa St.															
Northeast Treatment Plant		9,390,000	7,075,000	9,110,000	5,894,000	1,000,000	5,900,000	38,368,000							7,700,000
Trunk sewers - inc. sub-basins		700,000	1,300,000	900,000		1,500,000	3,300,000	7,700,000							
General system - inc. general, lift stations and selected replacements		12,680,000	14,840,000	8,220,000	6,905,000	4,330,000	2,200,000	49,175,000							38,368,000
CIP sub-totals		850,000	1,408,000	1,539,000	1,473,000	1,547,000	1,557,000	8,472,000							
Total uses	<u>21,819,702</u>	<u>35,672,540</u>	<u>41,563,395</u>	<u>36,839,606</u>	<u>31,459,090</u>	<u>26,718,822</u>	<u>31,460,094</u>	<u>225,551,240</u>	<u>38,641,817</u>	<u>33,135,266</u>	<u>28,512,998</u>	<u>26,479,290</u>	<u>24,067,181</u>	<u>25,798,712</u>	<u>400,186,504</u>
Gap sub-totals															
Impact fees	4,751,828	46,684,460	(23,636,385)	(18,136,808)	22,887,910	(6,815,822)	(11,064,094)	15,171,281	(1,049,817)	(12,346,286)	(7,522,988)	(5,287,290)	(2,871,181)	(4,198,712)	(17,901,083)
Total gap	<u>4,751,828</u>	<u>46,894,460</u>	<u>(23,296,395)</u>	<u>(17,825,606)</u>	<u>23,397,910</u>	<u>(5,845,822)</u>	<u>(10,564,094)</u>	<u>17,311,281</u>	<u>(509,817)</u>	<u>(11,775,266)</u>	<u>(5,922,988)</u>	<u>(4,817,290)</u>	<u>(1,971,181)</u>	<u>(3,476,712)</u>	<u>(11,961,923)</u>

- (1) Assumes 7% rate increase 2003/04, then 3% increase next 4 years and 0% thereafter.
 (2) Assumes 1.5% annual increase in operating expenses.
 (3) Minimum debt service coverage requirement for additional bonds is 1.25 times
 (4) Assumes 1.5% annual increase in capital replacements

NOTE: The above projections do not include an inflation factor.

City of Lincoln Water System Cash Flow Projections CIP Costs (Category 5)

Proposed Additional Bonds	2003/4	2006/07	2009/10	Bonds	CIP Cash
Average Interest Cost	\$35,000,000	\$50,000,000	\$42,000,000	\$127,000,000	27,029,078
Term	5.50%	5.50%	5.50%		
Average Annual Debt Service	25	25	25		
	\$2,609,227	\$3,727,488	\$3,282,125		

Fiscal Year	Annual Consumption in HCF (1)	Revenue from Water Sales (2)	Operation Costs (3)	Net Operating Revenue	Projected Impact Fees	Interest Income	Revenue Available for Debt Service	Series 2002 Debt Service Requirement	Additional Bonds Debt Service Requirement	Projected Debt Service Coverage (4)	Capital Replacements	Capital Improvements	Operating Coverage (5)	End of Year Cash Balance (6)	CIP Costs Category 5	Project Funds Available
2002-03																
2003-04	17,954,132	23,071,000	12,287,440	10,783,560	420,000	750,000	11,953,560	5,526,633		2.1829	2,073,645	4,353,282	1.0000	10,236,124		
2004-05	18,133,673	24,001,000	12,471,751	11,529,249	490,000	750,000	12,769,249	6,255,863		1.4404	2,104,750	1,799,409	1.0000	10,236,124	15,662,000	23,691,282
2005-06	18,315,010	24,968,000	12,658,828	12,309,172	620,000	750,000	13,679,172	6,247,420	2,609,227	1.5445	2,136,321	2,686,204	1.0000	10,236,124	10,500,000	14,990,691
2006-07	18,498,160	25,974,000	12,848,710	13,125,290	830,000	750,000	14,705,290	6,243,770	2,609,227	1.6811	2,168,368	3,685,927	1.0000	10,236,124	12,245,000	5,431,894
2007-08	18,683,141	27,021,000	13,041,441	13,979,559	950,000	750,000	15,679,559	6,232,220	2,609,227	1.8611	2,168,368	3,685,927	1.0000	10,236,124	16,180,000	42,937,821
2008-09	18,869,973	27,281,000	13,237,062	14,043,938	1,020,000	750,000	16,102,938	6,229,283	2,609,227	1.2475	2,200,898	909,746	1.0000	10,236,124	18,706,000	10,105,822
2009-10	19,058,583	27,564,000	13,435,818	14,078,182	1,090,000	750,000	16,813,938	6,230,145	2,609,227	1.2585	2,233,905	1,014,055	1.0000	10,236,124	18,050,000	27,797,567
2010-11	19,249,259	27,840,000	13,637,153	14,202,847	1,150,000	750,000	17,102,847	6,223,120	2,609,227	1.2687	2,267,413	1,083,929	1.0000	10,236,124	18,706,000	10,105,822
2011-12	19,441,752	28,118,000	13,841,710	14,276,290	1,220,000	750,000	17,449,685	6,203,703	2,609,227	1.2821	2,301,424	1,241,808	1.0000	10,236,124	18,500,000	34,688,551
2012-13	19,636,169	28,399,000	14,049,315	14,349,685	1,350,000	750,000	17,772,925	1,537,328	9,598,820	1.2545	2,335,946	958,946	1.0000	10,236,124	12,600,000	23,331,159
2013-14	19,832,531	28,683,000	14,260,075	14,602,925	1,420,000	750,000	18,102,925	1,539,800	9,598,820	1.4771	2,370,985	2,942,552	1.0000	10,236,124	15,300,000	8,991,105
2014-15	20,030,855	28,970,000	14,473,977	14,496,023	1,460,000	750,000	18,705,023	1,539,800	9,598,820	1.5058	2,406,550	3,227,667	1.0000	10,236,124	13,900,000	(1,966,343)
										1.4698	2,442,648	3,124,755	1.0000	10,236,124	7,200,000	(6,513,922)

- (1) Assumes 1% increase in annual usage.
(2) Assumes 7% rate increase 2002/03 then 3% increase next 5 years - 0% thereafter.
(3) Assumes 1.50% annual increase in operating expense.
(4) Minimum debt service coverage requirement for additional bonds is 1.25 times.
(5) Assumes enterprise manages to 1:1 cash flow coverage.
(6) Assumes no spend down of projected year end cash balances for fiscal 2002/03.

Note: The above projections do not include an inflation factor.

Prepared on January 7, 2003 by Ameritas Investment Corp. using information provided by the City of Lincoln.

AMERITAS
INVESTMENT CORP.

City of Lincoln Wastewater System Cash Flow Projections CIP Costs (Category 5)

Proposed Additional Bonds
Average Interest Cost
Term
Average Annual Debt Service

	2003/4	2006/07	2009/10
	\$65,000,000	\$35,000,000	\$15,000,000
	5.50%	5.50%	5.50%
	25	25	25
	\$4,845,708	\$2,808,227	\$1,118,240

Bonds 115,000,000 CIP Cash 28,039,170

CIP Total
422,000,000

Fiscal Year	Annual Discharge in HCF (1)	Revenue from Wastewater Charges (2)	Operation Costs (3)	Net Operating Revenue	Projected Impact Fees	Interest Income	Revenue Available for Debt Service	SRF Loan Debt Service Requirement	Additional Bonds Debt Service Requirement	Projected Debt Service Coverage (4)	Capital Replacements	Capital Improvements	Operating Coverage (5)	End of Year Cash Balance (6)	CIP Costs Category 5	Project Funds Available
2002-03																
2003-04	13,361,633	16,807,000	9,610,383	6,996,617	210,000	750,000	7,956,617	1,296,972		8.1348	645,185	6,014,460	1.0000	4,751,828		
2004-05	13,495,250	17,277,000	9,754,539	7,522,461	240,000	750,000	8,512,461	1,287,285		1.3880	654,883	1,724,585	1.0000	4,751,828	23,720,000	47,294,480
2005-06	13,630,202	17,973,000	9,900,857	8,072,143	310,000	750,000	9,132,143	1,279,356	4,845,708	1.4909	664,885	2,342,394	1.0000	4,751,828	24,821,000	24,398,045
2006-07	13,766,504	18,697,000	10,049,370	8,647,630	410,000	750,000	9,807,630	1,271,356	4,845,708	1.6176	674,656	3,069,910	1.0000	4,751,828	19,769,000	6,971,439
2007-08	13,904,169	19,451,000	10,200,111	9,250,889	470,000	750,000	10,470,889		4,845,708	1.4046	684,776	2,331,178	1.0000	4,751,828	14,272,000	30,769,349
2008-09	14,043,211	19,846,000	10,353,112	9,292,888	500,000	750,000	10,542,888		7,454,935	1.4142	695,047	2,392,906	1.0000	4,751,828	8,377,000	24,723,527
2009-10	14,183,643	19,842,000	10,508,409	9,333,591	540,000	750,000	10,623,591		7,454,935	1.4250	705,473	2,463,183	1.0000	4,751,828	12,957,000	14,159,433
2010-11	14,325,480	20,040,000	10,686,035	9,353,965	570,000	750,000	10,673,965		7,454,935	1.2450	716,055	1,384,734	1.0000	4,751,828	17,973,000	13,649,815
2011-12	14,466,734	20,240,000	10,826,026	9,413,974	600,000	750,000	10,763,974		8,573,176	1.2565	726,799	1,484,002	1.0000	4,751,828	13,160,000	1,874,350
2012-13	14,613,422	20,442,000	10,968,416	9,453,584	670,000	750,000	10,873,584		8,573,176	1.2683	737,898	1,582,710	1.0000	4,751,828	8,387,000	(5,048,648)
2013-14	14,759,556	20,646,000	11,153,242	9,492,758	700,000	750,000	10,942,758		8,573,176	1.2764	748,763	1,620,819	1.0000	4,751,828	6,180,000	(9,665,937)
2014-15	14,907,151	20,852,000	11,320,541	9,531,459	720,000	750,000	11,001,459		8,573,176	1.2832	759,995	1,668,288	1.0000	4,751,828	3,592,000	(11,637,118)
														5,145,000	(15,113,830)	

- (1) Assumes 1% increase in annual usage.
 (2) Assumes 7% rate increase 2003/04 then 3% increase next 4 years - 0% thereafter.
 (3) Assumes 1.50% annual increase in operating expense.
 (4) Minimum debt service coverage requirement for additional bonds is 1.25 times.
 (5) Assumes enterprise manages to 1:1 cash flow coverage.
 (6) Assumes no spend down of projected year end cash balances for fiscal 2002/03.

Note: The above projections do not include an inflation factor.

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